

JUSTICE R.J. SHAH (RETD.)
FEE REGULATORY COMMITTEE(MEDICAL)
GUJARAT STATE

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In accordance with the order of Hon'ble High Court of Gujarat dated 13th May 2009 in SCA 8040/2008, the Committee had given opportunity of hearing to Charutar Arogya Mandal to make their submissions in the matter of following issues raised before the Court concerning fees fixed by the Committee for the post graduate courses run by H. M. Patel Institute of PG Studies.

- (A) Consideration of accounting data of the cost actually incurred by the College for imparting education for the concerned academic years as against consideration of projections made by the Committee on its own.
- (B) Reasonableness of development allowance claimed by the College for the purpose of fee fixation.
- (C) Directions given by the Committee to the College restricting it from taking bank guarantee or any other form of security from concerned students for ensuring the payment of fees for the entire course.

In accordance with the directions from the Court, the Committee heard the representatives of the College at its meeting held on 26-05-2009. The Committee also requested the college to submit audited accounts of all the PG Courses for the years ended 31st March 2007, 2008 and 2009.

The Committee further reviewed the order passed by the erstwhile R.J. Shah Fee Committee, dated 8th May 2008 as well as supplementary order passed by this Committee dated 20th October 2008 in this matter.

The Committee notes that the only major issue of difference between the College and the Committee was concerning the consideration of actual accounts as against the projected cost estimates. In the earlier exercise, since the fee was to be fixed for the years 2006-07, 07-08 and 08-09 as back as 2006-07, the exercise was based on

projections only for all the Colleges. However, in the given case, since the fee approval exercise took longer time and was over only in the year 2008, the College requested to consider actual accounts rather than taking base from the projections submitted three years back.

After discussions and deliberations, the Committee is of the opinion that since the fee fixation exercise took longer time and the data relating to actual cost was available at least for two years, it will be appropriate to consider the actual audited accounts. As such the Committee analyzed the audited accounts for all the three years mentioned above and made necessary adjustments/modifications in the cost statement to arrive at the cost directly related to imparting education. The Committee also ensured that the cost taken for the purpose of fee fixation includes only recurring and revenue costs.

So far as the issue of development allowance is concerned, in the earlier exercise the Committee had allowed development allowance at the rate of 10%. After going through the track record of investments in the new equipments and other development work, the Committee is of the opinion that there is no need to increase the same.

Based on the actual numbers for all the three years as explained above and allowing 10% for the development allowance, the average cost per student works out to Rs. 5.22 lakhs for all the courses put together including Master of Physiotherapy. To arrive at the cost per student, the Committee has considered actual number of students for each year.

As such, the Committee in the final analysis, recommends the College to devise a fee structure providing for differential fee for the degree and diploma courses as also for different subjects as permitted in its supplementary order dated 20th October 2008, provided the average fee from all the courses and from all the students including the MPT Course for all the three years i.e. 2006-07, 2007-08 and 2008-09 does not exceed Rs. 5.22 lakhs per student per year.

So far as the third point of the bank guarantee/security is concerned, the Committee is of the view that in view of cost of securing bank guarantee, the College should, as

far as possible, refrain from insisting on bank guarantee. The Committee advises that the College should work out an alternate form of security/guarantee to ensure that no student, once admitted, abandons the course half way resulting into loss of opportunity for others. In this background, the college is free to work out an arrangement to ensure that the student leaving the course before completion pays the full amount of the Course for the entire term of two or three years as the case may be.


MEMBER SECRETARY